

## Message Text

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17

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 CAB-05 CIAE-00 DODE-00 DOTE-00

INR-07 NSAE-00 FAA-00 L-03 SS-15 NSC-05 H-02 PA-02

PRS-01 USIA-15 ACDA-10 /083 W  
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R 200525Z APR 76

FM AMEMBASSY ISLAMABAD

TO SECSTATE WASHDC 5106

INFO USDOC

/AMCONSUL KARACHI 5520

AMCONSUL LAHORE

UNCLAS ISLAMABAD 3953

E.O. 11652: N/A

TAGS: EAIR, BDIS, MASS, US, PK,

SUBJ: CESSNA DISPUTE WITH PAK AGENT

1. SEVERAL MAJOR PAKISTAN NEWSPAPERS CARRIED THE FOLLOWING PAID NOTICE IN THE APRIL 19 EDITIONS WHICH SHOULD BE COMMUNITED TO CESSNA: BEGIN QUOTE: IT IS NOTIFIED TO ALL CONCERNED THAT ZAMINOS ( PAKISTAN ) LTD. INTEND FILING AGAINST CESSNA AIRCRAFT COMPANY, WICHITA, KANSAS, USA, A SUIT FOR INJUNCTION AND COMPENSATION RE-FUND RECOVERY OF COMMISSION DAMAGES FOR SUPPLIES NOT ACCORDING TO SPECIFICATIONS WHICH MAY INVOLVE ATTACHMENT OF CESSNA PROPERTY INCLUDING AIRCRAFT AND SPARES IN PAKISTAN AND ANYONE DEALING WITH CESSNA IN PAKISTAN, MIDDLE EAST AND SRI LANKA WILL DO SO AT HIS OWN RISK. MEANWHILE ZAMINOS WILL CONTINUE DELIVERING CESSNA AIR-CRAFT AND SPARES NOT UNDER THE CONTROL OF CESSNA. END QUOTE.

2. THE EMBASSY AND CONGEN LAHORE HAVE BEEN RECEIPIENTS OF SEVERAL RECENT INFO COPIES OF LETTERS RELATING TO THE DISPUTE BETWEEN ZAMINOS AND CESSNA. A MARCH 31 LETTER IDICIATED THAT CESSNA HAD NOTIFIED ZAMINOS OF TER-MINATIONOF THE AGENCY AGREEMENT TO BE EFFECTIVE APRIL 1. IN LATER LETTERS, ZAMINOS FIRST APPEALED FOR RECONSIDER-ATION, THEN INFORMED CESSNA THAT IT WITHDREW EARLIER OFFERS TO ACCEPT REDUCED COMMISSIONS ON CERTAIN MILITARY

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AIRCRAFT SALES AND FINALLY THREATENED LEGAL ACTION.

ZAMINOS HAS RETAINED A RETIRED CHIEF JUSTICE OF PAKISTAN SUPREME COURT AS ITS LAWYER AND FILED NOTICE OF SUIT IN PAKISTAN . ON APRIL 13 IRSHAD ULLAH KHAN, MANAGING DIRECTOR OF ZAMINOS, SENT A RELATIVELY CONCILIATORY LETTER TO PHILLIP WOODRUFF OF CESSNA STATING THAT HE WAS GIVING CESSNA " ONE MORE CHANCE" TO " SAVE CESSNA FROM LITIGATION THAT WILL REVEAL MORE EMBARASSING FACTS AND WHICH WILL AFFECT OUR TWO ORGANIZATIONS WITH UNNECESSARY LOCAL AND INTERNATIONAL PUBLICITY."

3. COMMENT: THE EMBASSY AND CG LAHORE HAVE ONLY SEEN COPIES OF ZAMINOS LETTERS, INCLUDING SEVERAL SENT TO GOP OFFICIALS ON THIS DISPUTE, AND THEREFORE KNOW NOTHING OF THE CESSNA SIDE OF THE DISPUTE. IT IS UNFORTUNATE THAT THIS DISPUTE AROSE JUST AS THE GOP WAS REACHING A DECISION ON A CESSNA FMS SALE AS TO WHETHER THE GOP WOULD PERMIT ANY AGENT'S FEE IN MILITARY SALES. THE PAK AIR FORCE IS STRONGLY RESISTING PAYMENT OF AGENT FEES IN THE CESSNA CASE WHILE MINDEFENSE APPEARS TO BE WILLING TO PAY THIS PARTICULAR COMMISSION RATHER THAN PAY A LARGER CANCELLATION CHARGE.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DISPUTES, AEROSPACE INDUSTRY, LITIGATION, COURT PROCEEDINGS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 APR 1976  
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**Decaption Note:**  
**Disposition Action:** n/a  
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**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
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**TAGS:** EAIR, BDIS, MASS, US, PK, CESSNA  
**To:** STATE  
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